

How much would it cost to meet the unmet social care needs of older people in England?

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Introduction

Last year, Age UK estimated that 1,004,000 older people between 65 and over have unmet social care needs –roughly 31 per cent of older people with difficulty in carrying out activities of daily living (Age UK, 2014).

This note explains how we arrived to an estimate of how much money it would cost local authorities with adult social care responsibilities to close this gap.

Social Care Needs

When looking into unmet needs, we considered all the activities of daily living (ADL) – a classification of routine, everyday self-care activities such as eating or washing, which are widely-used to measure either disability or social care needs. The following activities are classified as ADL:

- Having a bath or a shower
- Dressing or undressing
- Getting in and out of bed
- Using the toilet
- Eating, including cutting up food

Local authorities set eligibility criteria to ration the provision of social care according to need. If a person were not able to, say, eat without help, they would more likely receive social care services than if they were not able to, for example, dress without help. However, it is uncommon for someone to have difficulty in carrying out a basic daily activity such as using the toilet not to have difficulty with other activities (e.g. getting in and out of bed). This explains why the average recipients of services have three or more needs.

Nevertheless, we consider that no-one should go without meeting their need to perform any of the activities of daily living or instrumental activities of daily living, hence we also estimated the cost of meeting the needs of the whole population aged 65 or over in England with at least one unmet social care need.

Our definition of unmet social care need encompasses more than receiving or not help. Even for those people who do, the help they receive may not meet their needs *all the time*. Because we understand that no-one should *ever* go without meeting these needs, we defined as a person with unmet social care those who do *not always* receive the help they need to perform the activity or activities they have difficulty with. The survey we investigated¹ asked respondents whether they receive help or not, and to those who responded affirmatively, whether the help they received met their needs hardly ever, sometimes, usually, or all the time. We only excluded the latter from our estimates.

¹ The English Longitudinal Study of Ageing, Wave 6 (see Marmot et al., 2014).

PSSRU vignettes

To estimate the funding required to satisfy the unmet social care needs we had to focus on the intensity of care (that is, the number of hours of care a day) required by an older person according to their needs. We based our estimates of intensity of care on vignettes of the average recipient of home-based social care services prepared by the Personal Social Services Research Unit (PSSRU), a research unit jointly funded by the University of Manchester, the University of Kent and the London School of Economics and Political Science (PSSRU, 2014). Using data submitted by a number of local authorities, the PSSRU estimated four categories of costs, not based on the cost of the hourly provision of the service which is the same across the categories (£37 an hour) but on the average number of hours a week a social worker needs to provide the services. The higher the level or intensity of service, the more costly the weekly provision results for the local authority. For each cost category, the PSSRU presents a vignette describing the average needs (functional ability):

| Level of cost | Average cost (£) | Level of service (hours a week) | Functional ability |
|---------------|------------------|---------------------------------|---|
| Very low | 37 | 1 | Mrs A had problems with three activities of daily living: using the stairs, getting around outside, and bathing. |
| Low | 148 | 4 | Mrs B had problems with three activities of daily living: using the stairs, getting around outside and bathing. |
| Median | 370 | 10 | Mrs C had problems with four activities of daily living: using the stairs, getting around outside, dressing and bathing. |
| High | 426 | 10 | Mr D had problems with seven activities of daily living: using the stairs, getting around outside and inside the house, using the toilet, transferring between chair and bed, dressing and bathing |
| Very High | 1,111 | 30 | Mrs E suffered from dementia and needed help with nine activities of daily living: stairs, getting around outside and inside the house, using the toilet, transferring between chair and bed, dressing, bathing, washing and feeding. |

The table above shows, for example, that the provision of the services that Mrs E (in the last row) needs costs £37 an hour, as much as providing the services Mrs A (in the first category) needs, but meeting Mrs E's needs costs her local authority 30 times more than meeting Mrs A's needs, because the services for Mrs E demand 30 hours a week against 1 hour a week in Mrs A's case. The difference between median and high levels of cost is that the Mr D needs to attend a day centre once a week.

Estimation Method

We looked into ELSA (Wave 6) and extracted the volume of unmet needs among respondents aged 65 or over. From this we estimated the number of people with difficulties with ADLs by number of difficulties and how many of these have unmet needs (as defined above).

The first two cost categories in the PSSRU vignettes above include the same three activities of daily living, so we assigned 50 per cent of the people in the ELSA sample presenting difficulty with these three activities only to each cost category. We obtained the following estimates:

| Level of cost | Average cost (£) | Level of service (hours a week) | Population 65+ with unmet needs of at least low cost (ELSA Wave 6) (Base=5,111) |
|---------------|------------------|---------------------------------|---|
| Very low | 37 | 1 | 35 |
| Low | 148 | 4 | 35 |
| Median | 370 | 10 | 15 |
| High | 370 | 10 | 39 |
| Very High | 1,111 | 30 | 5 |

Given that these vignettes start with at least three disabilities and that we want to estimate the cost to meet the unmet social care needs of older people with at least one disability, we assumed that to meet the needs of people with one and two disabilities one hour of care is required each week. To estimate the cost of meeting the needs of those people with three ADLs, we applied the weighted average for the first two rows in the table above (i.e. very low and low intensity). Regarding 4 and 5 disabilities, we applied the level of service in the last two rows (i.e. high and very high level of cost) – that is, 10 hours a week and 30 a week- respectively.

We applied our results from ELSA to the latest population estimates by age for England to obtain the number of people aged 65 or over in England with unmet needs by number of difficulties. Finally, we multiplied the number of people in each cost category with unmet needs by the average cost (or, equivalently, by £37 times the hours a week) to estimate the weekly cost of providing the services to meet these unmet needs and, by multiplying by 52, the annual costs.

Results

The following table presents the results.

| | Level of service (hours a week) | Population 65+ with at least one difficulty who do not always receive help | Weekly cost of meeting unmet needs (£) | Annual cost of meeting unmet needs (£) |
|--------------|---------------------------------|--|--|--|
| 1 difficulty | 1.00 | 658,983 | 12,191,182 | 316,970,740 |
| 2 difficulty | 1.00 | 170,447 | 3,153,274 | 81,985,128 |

| | | | | |
|------------------------|-------|------------------|------------|----------------------|
| 3 difficulty | 3.24 | 91,527 | 10,973,673 | 570,631,012 |
| 4 difficulty | 10.00 | 40,685 | 15,053,328 | 782,773,033 |
| 5 difficulty | 30.00 | 42,295 | 46,947,976 | 2,441,294,741 |
| | | | | |
| 1+ difficulties | | 1,003,938 | | 4,193,654,653 |
| 3+ difficulties | | 174,508 | | 3,794,698,785 |

Conclusion

We estimate that 1,004,000 people aged 65 or over have at least one unmet social care need in England. Meeting these needs would cost around £4.2bn per year. Total expenditure in older people's social care is budgeted to amount to £6.3 billion in 2015/16, which means that closing this gap in needs would require an increase by 66.6 per cent in budget allocations to adult social care. Put another way, this represents 3.8 per cent of the NHS budget for England in 2015/16. In other words, an one pound invested for every 27 in the NHS would plug this shortfall.

Meeting the care needs of people with difficulty with performing at least three activities (a measure of *substantial need*) would cost around £3.8bn.

It is worth noting, however, that over the last four years, adult social care departments across local authorities have had to make reductions in their budgets amounting to £3.53 billion (LGA, 2014) – more than it costs not to let any older person with at least substantial needs go without the social care services they require.

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Annex – Unmet social care needs of adults aged under 65 years old

The Life Opportunities Survey (LOS) includes questions about difficulty and help received with activities of daily living across the population. Using a Special Licence dataset of the LOS Wave 2 (2011-12), we estimated the number of people aged 18-64 who have difficulty with any of five activities and who do not always receive help –either formal or informal care.

The activities included are:

- Washing and drying your whole body
- Using the toilet
- Dressing and undressing by yourself
- Eating a meal that has been prepared to you
- Preparing meals

These activities are the most critical in the list included in LOS (which includes also cutting toenails, shopping for everyday necessities, doing laundry and light cleaning in the household, and carrying out minor household repairs). In this sense, the estimates below are fairly conservative.

The following table presents the number of respondents to the LOS who said experienced difficulty with at least one of these activities and did not receive help all the time.

| People aged 18-64 who find it difficult to perform any of five critical activities of daily living | | |
|---|------------------------------|-------------|
| Number of ADLs | Respondents in sample | (%) |
| 1 | 566 | 39.8% |
| 2 | 266 | 18.7% |
| 3 | 228 | 16.0% |
| 4 | 214 | 15.0% |
| 5 | 149 | 10.5% |

The Health and Social Care Information Centre (HSCIC) compiles data on community care activity in England every year. From Table P1 in the latest edition (corresponding to the period 1 April 2013 - 31 March 2014)² we obtained the number of people aged 18-64 who received community-based social care services provided or commissioned by local authorities by type of service. The following table presents the data:

Community-based social care services provided

² HSCIC (2014). Community Care Statistics, Social Services Activity, England - 2013-14, Final release. Published on 9 December 2014. Available on <http://www.hscic.gov.uk/searchcatalogue?productid=16628&topics=2%2fSocial+care%2fSocial+care+activity%2fHome+care&sort=Relevance&size=10&page=1#top>

| or commissioned by the local authority to people aged 18-64 | |
|--|--------------------------|
| Type of Disability | Number of clients |
| All aged 18 to 64 | 379,455 |
| <i>of whom:</i> | |
| Physical Disability | 143,175 |
| Mental Health | 118,810 |
| Learning Disability | 107,055 |
| Substance Misuse and Other | 10,410 |

The PSSRU estimates the mean weekly costs of community-based (e.g. day care) social care services for adults aged 18-64 by type of need. Of the list of services above, only services for adults with substance misuse and other problems are reported not to have day care or other community-based services. Therefore we excluded them from our calculations. For the other service types, the following are the mean weekly costs:

| Mean weekly cost of community-based social care services provided or commissioned by the local authority to people aged 18-64 | |
|--|------------------------|
| Disability | (£) |
| Physical Disability | 203³ |
| Mental Health | 105⁴ |
| Learning Disability | 293⁵ |

Combining the number of clients per type of service and the mean weekly cost per disability, we estimated that a weighted mean weekly cost of community-based services provided by local authorities to adults aged 18-64 amounts to **£198**.

We apportioned the proportions of respondents with 1 to 5 unmet needs from LOS to the total number of clients receiving community-based services in order to estimate the number of adults aged 18-64 with 1 to 5 unmet needs. We then multiplied these estimates by the weighted mean weekly cost times 52 to obtain an estimate of the annual cost of meeting these needs:

³ PSSRU (2014, Table 5.3)

⁴ PSSRU (2014, Table 2.4)

⁵ PSSRU (2014, Table 4.4)

| Unmet needs | In sample | % | Number of clients | Cost per week | Annual cost |
|--------------------|------------------|----------|--------------------------|----------------------|--------------------|
| 1 | 566 | 39.8% | 146,786 | 28,998,726 | 1,507,933,732 |
| 2 | 266 | 18.7% | 68,984 | 13,628,376 | 708,675,570 |
| 3 | 228 | 16.0% | 59,129 | 11,681,465 | 607,436,203 |
| 4 | 214 | 15.0% | 55,499 | 10,964,182 | 570,137,489 |
| 5 | 149 | 10.5% | 38,642 | 7,633,940 | 396,964,887 |

The figures above render a total amount of £ 3,791,147,880 per year to meet the social care needs of younger adults that currently go unmet. To provide care to those with 3 or more unmet needs would cost £ 1,574,538,578.

References

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